

Food for the Hungry International Ethiopia



FY1999 Results Report for Title II Program

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I. Results Overview

A. Results

The following results refer to the purpose, objectives and activities proposed in FHI/Ethiopia's three years (1999-2001) Development Activity Proposal (DAP) that was approved by USAID. The DAP consisted of four major components including crop productivity and diversification, fodder production and natural resource management, community health and water, and capacity building of local institutions with the overall objective of restoring food security within targeted households. The report focuses on results achieved in FY 99 with comparison to the baseline date and achievements in FY'98.

Brief highlights of results and activities achieved in FY 99 include the following:

As can be seen from Appendix-A agriculture extension activities have enabled to increase yield in major annual crops in the three project areas of South Gondar zone, Amhara National Regional State. A general yield increase by 20 –25% in barley and wheat has been recorded in all projects while performance in potato, sorghum and teff has shown variability across projects. The failure of the short rain in March and April last year has contributed particularly to low productivity in potato. Yield in teff was adversely affected by unseasonable rain that continued through November-December, 1999.

In most cases, changes in income indicators (IR2) are moderate. With the exception of matured eucalyptus trees whose number increased by an average of three poles per household, all other indicators increased slightly. Due to the long dry spell that extended until July last year, many households lost their livestock especially small ruminants thereby significantly reducing the number of livestock owned by families.

FHI/Ethiopia was encouraged to see the number of households using family planning services consistently increasing over the past four years. Although incremental change was not significant in this regard, one can see a positive trend towards using family planning techniques among targeted households. Similarly, the percentage of children under five years receiving DPT 3 has increased in FY'99. Positive changes in diarrhea control, access to safe water supply and sanitation as well as mother's attitude towards breast-feeding have been observed.

Results in natural resource base maintenance have been encouraging, too. A total of 927 ha. of degraded lands have been recuperated with the construction of various soil conservation structures and plantation of fodder trees. In promoting communal fodder plantation sits, households living in 23 villages were organized and grew fodder on sites closer to their villages.

For reporting purposes, results for each of the above program components will be dealt with separately, although it is important to note that where possible FHI/Ethiopia integrates the components to maximize the impact on food security.

A.1 Discussion of Target Achievement

During the reporting year variable and unseasonable rainfall negatively affected the growth of annual crops in South Gondar. The short belg season was totally a failure. Most of the highlanders of Lay Gayint, Tach Gayint and Simada Woredas who used to grow potatoes and other vegetables lost these crops that formed important fall back mechanism against potential famine months. The dry spell continued until late July during which time the farmers either consumed the seeds or lost them before germination. FHI/Ethiopia and the Local Agriculture Offices had to supply short maturing seeds to recuperate lost opportunities. The effect of this was generally observed in low yield of basic annual crops, root crops and vegetables. Similar adverse effect is expected to be seen in income and nutritional level of children and mothers.

The second important change noted during the reporting period was the shift in Regional Government directives to distribute marginal and/or forest lands to landless people. According to the new directives, each landless person is entitled to 0.125 ha. of these communal lands to cultivate or maintain. Since most of these lands are communal lands the distribution will obviously lessen the chance to grow fodder trees under community management. FHI/Ethiopia's plan to develop fodder production using communal sites as well as backyard private plots. Although the implementation of the above directives was not started, FHI/Ethiopia has witnessed reluctance from community leaders to allocate communal lands for fodder production. This has led to low level of achievement in communal fodder production.

During the first half of the fiscal year all Cooperating Sponsors (CSs) including FHI/Ethiopia faced major financial constraints as a result of monetization problem. The oil market in Ethiopia was flooded with imported oil from the Far East and developed countries. Worsening the situation was Title III vegetable oil provided to the Disaster Prevention and Preparedness Commission that was out for sale. As a result, planned oil monetization was suspended because there were few potential buyers. The CSs had to wait until most of the oil suppliers sold out their stocks. This has been a major factor for the low level of accomplishment in small-scale irrigation development and input supply to farmers.

a) Indicator Targets

The results in Appendix B reveal that the patterns of change in yield per hectare of major crops in agricultural production (IR1) indicators show differences among major crops and across projects. In Lay Gayint, yield in barley and potato increased by 119 kg and 229 kg respectively compared to the baseline, while there has been a decrease in yield of Teff, and a moderate reduction in wheat. In Tach Gayint, almost all-major crops have shown significant yield increment. Yield in barley and wheat increased by 155 kg and 150 kg respectively over the baseline.

On the other hand, potato and sorghum showed moderate improvement over the baseline. The situation in Simada is different in that almost all of the major crops have shown improvement in yield, ranging from 22 kg up to 428 kg, with the exception of potato that dropped by nearly 47%. The overall production of major crops has increased in all of the three projects.

Yield increment among **targeted households** has shown significant variation across projects. During the year agricultural inputs such as fertilizer, improved seeds and training were provided to farmers who were interested to apply these inputs on their fields. The results obtained are summarized below.

	Yield/Ha. (Kgs)						
		Wheat	Teff	Sorghum	Barley	Potato	Pulses
Lay Gayint	Local Seed without fertilizer	600	300		600	3000	
	Local Seed with Fertilizer	1500	400		1000	15000	
	Improved seeds with Fertilizer	1800	800		1200	25000	
Tach Gayint	Local Seed without fertilizer	600	600	450	700	NA	600
	Local Seed with Fertilizer	900	1000		1000	NA	1000
	Improved seeds with Fertilizer	1200	1400			NA	
Simada	Local Seed without fertilizer	1000	600			12000	
	Local Seed with Fertilizer						
	Improved seeds with Fertilizer	1500	1000			25000	

According to the above table, average yield for local wheat has increased from 600 kgs/ha to 1,500 kg/ha in Lay Gayint as a result of applying recommended level of fertilizer. The change in yield for Tach Gayint has been 150%. The use of improved wheat with fertilizer shows an even higher increase in yield. In Lay Gayint, yield has tripled while it doubled in Tach Gayint. Only a 150% yield increment was observed in Simada.

A similar pattern of variation in yield can also be observed with regard to teff. Yield in teff in Lay Gayint has increased by 33% and 166% respectively following the use of local seed with fertilizer and combining improved seed with fertilizer. Significant yield increment has not been realized in Simada by using improved teff with fertilizer owing to unseasonable rainfall that affected teff during the harvesting stage.

Consistent yield increase in potato has been recorded in Lay Gayint and Simada using improved practices. The introduction of a new potato variety called “Kara” has enabled targeted households to realize more production than before. Yield increased from 3,000 Kgs/ha to 15,000 Kgs/ha in Lay Gayint by shifting from local variety to Kara. Farmers who combined Kara with fertilizer have recorded an even higher increase (i.e., 25,000 Kgs/ha).

The performance of most of improved household income (IR2) indicators is well over 70% of the target for FY 99. Nonetheless, many income indicators did not show any improvement except for mature eucalyptus per household, and some even regressively changed compared to the baseline established in June 1996. For instance, the average number of livestock units has declined in Lay Gayint and Simada by 13% and 18% respectively, while it remained at the same level as the baseline in Tach Gayint. The drought situation has been the main reason that led farmers to sell their livestock at lower prices. The proxy indicator Birr spent per month on kerosene has sharply declined in Lay Gayint and Tach Gayint by 33% and 41% respectively. Moderate improvement in other indicators such as the number of chairs/beds per household and number of times coffee drunk per household was observed in FY 99.

FHI/E is very much encouraged by the results obtained in health (IR3) indicators. The number of people using family planning in all projects has been consistently increasing since 1996. Likewise, the number of children fully immunized has significantly raised in the past few years in general and in FY 99 in particular. The 1999 household survey heralded that 50% of the households in target areas now drink potable water. This has contributed to the reduction of diseases caused by poor sanitation and unsafe water. For instance, the prevalence of diarrhea among children <5 years old has decreased in Lay Gayint and Simada projects by 1% and 3% respectively. Though it is early to trace the impacts of Vitamin A supplementation with data, it is believed that this activity has contributed to the reduction of night blindness among children and lactating mothers.

The results achieved in increasing peoples access to potable water in South Gondar was particularly impressive. With the construction of two hand dug wells and seven springs in Lay Gayint, a total of 1,284 households (i.e. 7.6% of target population) has been assisted to have good access to clean and potable water. The distance people travel to fetch water has been significantly reduced and the volume of water being used has increased as a result of building the above water supply projects. Distance has generally reduced by an average of 30 minutes while an increase by at least one jar of water was noted for each beneficiary household.

The same is true in Tach Gayint and Simada. In Tach Gayint five hand dug wells and three springs were constructed. Additional two springs and three hand-dug wells were maintained to serve a total population of 8,941. Given that each newly constructed springs were complemented with shower rooms and washing basins, it is believed that people using these water schemes had also access to sanitation

facilities. In addition to three springs capped and two hand-dug wells sunk in Simada, roof rainwater catchment was build in Simada. As a result of these water facilities 1,740 households and 800 school children has access to potable water during the reporting year.

At the impact level, natural resource base maintenance indicators (IR4) have also shown significant improvements. A total of 927 hectare of land is reclaimed in Lay Gayint, Tach Gayint, and Simada Woredas where FHI/E's soil conservation interventions were undertaken. FHI/Ethiopia did not use USLE to measure the extent of soil erosion in the target areas because of the technical problems related to the method. At the monitoring level, the household survey conducted in November 1999 revealed that the percentage of farmers practicing soil conservation is 50%, 57% and 62% in Lay Gayint, Tach Gayint, and Simada respectively. FHI/Ethiopia needs to establish baseline data for this indicator. In FY 99, a total of 27 new communal plantation sites were planted with fodder trees.

b) Following are more specific comments, offering qualitative evidence of progress against objectives

Major achievements in FY 1999:

- A total of 4,315,318 seedlings of fodder and tree seedlings were produced and distributed to individual farmers and/or planted on communal plantation sites. Fodder trees accounted for 47% of the total production.
- Most of the planned physical soil conservation structures were over accomplished. The over accomplishment was due to the effective extension activities by the Development Workers, and willingness and participation of community members. A total of 73 kms. of checkdams, 895 kms. of hillside terraces, and 23 kms of cut-off drains were constructed in Lay Gayint, Tach Gayint, and Simada Woredas. These structures were effective in curtailing soil erosion. In addition, soil conservation structures stabilized fragile and degraded lands around irrigation sites, thereby precluding boulders to reach the diversion weirs. Communities are learning the importance of soil conservation around irrigation schemes and are willing to contribute labor and locally available materials for regular maintenance. Projects have taken advantage of this and trying to build strong structures for soil protection and reclaiming marginal lands.
- Farmers are increasingly becoming interested to use chemical fertilizers. This has been reflected in the increasing quantity of chemical fertilizers distributed to farmers on credit basis. The assessment done in Lay Gayint project shows that the demand for fertilizer grew by 22% compared to last year. During the year, a total of 845 quintals¹ of DAP and 431 quintals of UREA were

¹ Quintal is a unit of weight measurement equivalent to 100 Kgs.

distributed to farmers in collaboration with the Woreda Service Cooperatives Promotion Office (SCPO).

- The projects have been promoting vegetable gardening with the objective to diversify farmers' diet as well as raising their income. More than 250 farmers were producing vegetables during the reporting period both for home consumption and for the market. The farmers have taken initiatives and have even begun to teach other farmers the importance of growing vegetables. Farmers who have access to water have received 72 kg of vegetable seeds from the projects.
- The project health teams have organized training sessions for communities in health and sanitation. A total of 652 health sessions were conducted for school children, Women's and Child-to-child groups. The newly incorporated activities of Vitamin A supplementation and deworming were also successfully achieved. The health components also managed to supplement 5,606 children and 584 lactating mothers with Vitamin A capsules. Moreover, 7,286 children were dewormed twice a year.
- During the year, more than 2,000 community members have attended basic health education sessions. Two community health agents received formal training provided at the government health institution for 4 months. The total training cost of these CHA were covered by the project. The CHAs are now qualified and started to serve their communities. In the family planning activity, 35 women were trained to work as Community Based Distributors (CBD) in the target areas. The CBDs were distributing contraceptives to voluntary families at an affordable price.
- In Lay Gayint, Tach Gayint, and Simada, the construction of health posts (1 in each project) with a total cost of Birr 431,611 has been carried out successfully. It is estimated that the health posts will increase the number of people who will have access to health services in the Woredas by 15,000. In Lay Gayint, essential drugs worth Birr 94,655.44 were also supplied to the Health Center.
- There has been continuing success with spring capping and hand dug well construction in Lay Gayint, Tach Gayint, and Simada Woredas. All of the planned activities for the year have been accomplished with high levels of community participation at all stages of the water projects. Six new hand-dug wells and ten new springs were developed. With the construction of these new water sources, about 20,000 people have had access to safe and adequate water supply.
- The newly constructed water sources were accompanied by sanitation facilities to efficiently use the outputs. Six cloth washing troughs and four cattle troughs were constructed in the three projects. Moreover, 3 hand dug wells and 9 springs were maintained with community participation. Technical training was also given for 50 caretakers, 24 pump attendants and 80 water committees in order to ensure the sustainable management of water sources.

A.2 Reasons for Under-Accomplishments

In FY 99, the agriculture sector experienced difficulties as a result of untimely and erratic rainfall. The overall production and yield for teff and potato in the three Woredas have shown variation. A downward trend in both yield and production have been observed for the two important crops mainly due to the absence of rainfall in the short season and unseasonable rain in the long seasons. To make situation even worse, there were incidences of pest attack, weed infestation and inadequate availability of some basic input such as improved seed varieties.

It has been very challenging to affect income indicators due to the persistent chronic food insecurity felt in South Gondar during most of the past year. The recurrent relief situations have demanded households to invest virtually all of their resources in procuring food to sustain the lives of members.

The shift in government policy to distribute land and its subsequent effect on community decision making power restrained FHI/Ethiopia to achieve planned targets in community fodder production. In spite of this, attempts were made to replace communal fodder plantation sites with private plots.

A.3 Changes in Key Assumptions

The key assumptions for the crop productivity and diversification component were availability of adequate and timely rainfall, the continuation of existing government pricing and extension policy, strong cooperation and support from the Ministry of Agriculture, the availability of improved seeds, and active participation of farmers.

Most of the assumptions held true through FY 99. There has been a continued support from the Ministry of Agriculture Offices especially at the Woreda level. The government extension and pricing policies, farmers' openness to adopt new agricultural practices have created favorable environment for the implementation of the activities in the component. Unlike the previous year, improved teff, barley and sorghum varieties were in short supply in 1999. The assumption that there will be a favorable rain did not hold true. Rainfall was both erratic and untimely.

In addition to strong cooperation and support from the Ministry of Health, stable and favorable health policies, the active participation of women and children, and their willingness to adapt the health practices were the major assumptions held in the health component. The Ministry of Health has been very cooperative except that it faced the shortage of manpower to extend utmost support to our health program. Children and mothers have also been willing to learn and practice improved health, hygiene and sanitation practices.

In the fodder production and natural resource management, the promotion of land use rights by farmers, community willingness to adopt the cut-and- carry method,

and the development of community organizations to manage and distribute fodder were the major assumptions held at the inception of the project. The change in Regional Government policy to distribute marginal lands is a shift in the right direction to reward individuals who cultivate these lands. With the exception of people's willingness to adopt a cut-and-carry system that was at its early stage, all other assumptions have been realized.

A.4 Partners Feedback to FHI/Ethiopia Program

Teams of consultants and staff from USAID Ethiopia mission have made several working visits to FHI/Ethiopia's project sites in 1999. During these visits program activities were reviewed and important weaknesses identified. The team that studied FHI/Ethiopia's programs on water supply and sanitation has indicated that commendable efforts were underway to address the felt needs of the people with regard to improving access to water supply and sanitation facilities. However, given the enormous need for potable water by the communities FHI/Ethiopia's effort is very minimal. The team suggested increasing the targets in the future. This important feedback was noted and activities in FY2000 were reviewed to accommodate more needs. Please refer to FY 2000 PAA.

Given FHI/Ethiopia's involvement in food security program in South Gondar, the absence of a systemic monitoring system to measure child nutrition in general and a nutrition surveillance report in particular was considered to be a serious weakness. To address this important problem, FHI/Ethiopia has initiated nutrition surveys to be conducted twice a year.

Discussion with government officials has revealed that small-scale irrigation schemes that involve the construction of diversion wear, earth dam and ponds are costly. Owing to the rugged terrain in South Gondar, the construction or upgrading of these schemes is not an effective way to address the needs of more farmers. In addition, such schemes sometimes appear to be difficult to manage for farmers. The alternative solution sought by FHI/Ethiopia was to promote low cost schemes using foot pumps, treadle pumps, ram and diesel pumps. Except for a couple of sites selected for upgrading, FHI/Ethiopia will focus on low cost schemes that are easier and encourage more farmers to participate in irrigation program.

A.5 Influence of Intersectoral Partnering and Changes in the Institutional Framework on Program Management

The intersectoral partnering with the government has positively influenced our program management through out the year. Since 1997, the relationship between FHI/E's South Gondar projects and government line offices have shown improvement. During the year, project activities were planning and implemented in close consultation and collaboration with line departments. Similarly, the relationship with the major stakeholder (i.e., the communities) has been strong through out the year.

In the agricultural extension activities, the project staff and Woreda agriculture office experts have been working closely in distributing key agricultural inputs including improved seeds and chemical fertilizers. Efforts have been made to reach out most of the farmers through the effective allocation of the scarce agricultural resources. The agriculture offices in each Woreda and the respective project staff also jointly did the scheduling of farmers' training during slack periods. In the health sector, particularly the health post construction and the purchase of medicines were managed jointly with the zone health department.

The partnering with the Woreda Councils has been instrumental in mobilizing the necessary local resources to realize project objectives. The Councils were mainly involved in selecting beneficiaries, coordinating the Woreda line offices, and enforcing the repayment of credits disbursed. The Woreda Service Cooperatives Promotion Offices (SCPO) have also provided technical assistance to Service Cooperatives, which are currently managing credits, monitoring the development of small enterprises. Upgrading of traditional irrigation schemes was made in consultation with the Commission for Sustainable Environment Rehabilitation in Amhara Region (Co-SERAR).

During the year, FHI/E has extended the partnership to other NGOs operating in the area. The networking with the Ethiopian Social Rehabilitation and Development Fund (ESRDF) is worth mentioning in this regard. A project proposal for the improvement of a small-scale irrigation project in Lay Gayint Woreda was accepted by ESRDF and the project secured Birr 17,000 for a feasibility study of a river called *Taria Wonz*. So far feasibility studies necessary for the project have been completed.

One of the policy changes made in the region is with regard to the management of credits by NGOs. The current government policy prohibits NGOs from providing credits directly to farmers. This has negatively influenced project credit activities. However, FHI/E resolved the problem by providing the inputs on credit through Agricultural Service Cooperatives in the project areas.

In general working with government line departments, the communities and other NGOs has enabled FHI/Ethiopia to perform activities on time and avoid duplication of resources in the region.

A.6 The Significance of the Accomplishments

The areas in which FHI/E is currently implementing Title II program are among the 47 Woredas designated by DPPC as food insecure and most vulnerable to famine. These areas experience frequent crop failures with the highest number of months of insufficient food at almost 9 months. The prevalence of severely malnourished children is among the highest in the nation with stunting at 85.9% and underweight at 63.9%. Other nutrition and health related indicators show the severity of the problem. (Please refer to FHI/Ethiopia's DAP for details).

In the light of this chronic food insecurity prevailing in the region, the contributions of Title II program in alleviating the crisis is quite immense. A total of 60,220 people have participated in food-for-work activities during the year through which they had access to food. In addition, people were engaged in long term development activities (such as irrigation, conservation, water supply, etc.) that will benefit the current and future generation. Soil loss has been minimized and available development potentials were used to maximize the interest of the people.

Farmers are getting better crop yields as a result of applying improved seeds and fertilizer. Through training and demonstration, farmers are acquiring basic skills and knowledge to practice improved farming techniques. The production of vegetables and fruits is diversifying the home consumption as well as generating much needed income to farmers.

Access to health facilities is increasing following the construction and refurbishing of health posts. Essential medicines are being made available for the rural poor. Peoples' attitudes towards family planning is changing slowly but progressively, as evidenced by increasing clients of contraceptives. Farmers have started constructing latrines. The percentage of people having access to adequate and potable water is increasing. With the increase in utilizing protected water supply, incidence of water-borne diseases has drastically declined.

FHI/E's strongly believes that what is being accomplished is making a difference in the target communities where basic necessities are lacking.

B. Monitoring and Evaluation, Audits, and Studies

B.1. Monitoring and Evaluation System Update

The Cooperating Sponsors have, in collaboration with USAID Ethiopia Mission, developed a monitoring and evaluation system for Title II Program. This system has been the basis of reporting since its establishment in 1996. Baseline indicators for agricultural productivity were collected in June 1997 while data for all other indicators were established in 1996. Results on performance of agricultural indicators are reported every two years. Natural resource management, health and access to water supply and sanitation indicators are reported annually. The result report presented above was compiled after an extensive analysis has been made on the data collected through a household survey conducted in November, 1999.

Here a word of caution is in order. Since FHI/Ethiopia has entered into a new phase of agreement with USAID to finance a three years DAP (1999-2001), there was a need to establish a new baseline. The inclusion of new target areas and exclusion of those PAs that were found to be better-off (in terms of their access to health and water facilities, improved agriculture and water and soil resource management) has necessitated to update the original data-base. The baseline

survey was conducted in August, 1999 with total 950 households taken as samples.

As usual, a household survey was conducted in November 1999 to assess the results obtained during the fiscal year. A total of 700 households were interviewed in Lay Gayint, Tach Gayint, and Simada Woredas where FHI/E is currently operating. Essentially, the same questionnaire designed last year was employed to solicit data. The Monitoring and Reporting Officer and field supervisors trained enumerators. To guarantee high quality data, heads of each project component were assigned to supervise the work of 4-5 enumerators. The data collected this way was reviewed at the project level and sent to the Head Office for further analysis. The analysis at the Head Office was made using EPI INFO software. The results of the analysis are presented in Appendix B, and the questionnaire used during the survey is attached as Appendix H.

To augment the household survey, each component head compiled the results observed in the targeted households as direct results of FHI/Ethiopia's activities. Records of beneficiary households and their status were the basis of reporting. A comparison of the results in the targeted households with those of the household survey has revealed important differences and similarities.

In FY 99, there has been a shift in FHI/E's monitoring of project activities, however. During the 1996-1998 period, more emphasis was given to the role of Addis Ababa based Technical Coordinators to monitor programs regularly by travelling from the Head Office to the project sites. However, FHI/E has learnt that more emphasis should be placed close monitoring of activities by field level staff and technical supervisors assigned at the Regional Level. This change was intended to ease timely follow up of activities and take corrective measures as quickly as possible.

To this end, much of the monitoring and evaluation work was focused on enhancing the knowledge and skills of field staff to monitor and evaluate activities. Basic training was given to program supervisors in concepts, and methods of data collection and analysis, and reporting. The Christian Relief and Development Association (CRDA) collaborated with FHI/Ethiopia in this capacity building by providing a technical backup through its staff. After the basic training was conducted, the project staff started to collect data in a more systematic way than before.

B.2. Audits and Studies

FHI/Ethiopia had one audit in FY99. Getachew Kassaye Audit Firm whose FY 98 findings are attached at the end conducted this audit. According to the findings FHI/Ethiopia has no outstanding observations that need immediate correction.

International and local consultants conducted Bellmon studies for FY 99 distribution and monetization commodities. These studies were made to verify whether distribution commodity or monetization would have a disincentive effect

on local producers and traders or not. Given the high level of food demand in FHI/Ethiopia's Title II Program sites, the distribution of wheat and oil had no effect on farmers' production. The studies have also shown clearly that neither trader would be affected by the distribution. Owing to the fact that food-for-work payments were made during the slack seasons where household food stock began to deplete and when farmers have relatively free time to work on public projects, most of the distribution of food would be used in the household. A portion of the oil might be sold to acquire much needed income for the purchase of other food items.

The Bellmon studies for monetization commodities were conducted around Addis Ababa and by assessing the quantity of raw materials reaching oil producers, consulting oil producers, importers and potential entrants to the oil market. During the first 3-5 months of FY 99 the quantity of oil available in the market was very high and the Ethiopia Monetization Consortium (EMC) could not sell any oil. However, the oil market improved since then EMC was in a position to sell most of its oil with better prices.

C. Monetization Sales

Details of monetization sales, total amount collected, and sales methods will be given by CARE/Ethiopia, which is a lead agency for monetization in Ethiopia. In this section FHI/Ethiopia presents a short summary of the total proceeds it collected from CARE/Ethiopia. The dates and tenders from which these proceeds collected are also given on the table.

Food for the Hungry
International/Ethiopia
Monitization Income Received From October '98 to
September '99

Date	Tender #	Amount Birr	Amount US\$	Remark
27/11/98	18	247,463	32,991	1st payment
09/12/98	18	313,036	41,721	2nd & final payment
13/01/99	19	774,831	103,091	-
28/02/99	-	473,123	62,245	Sales of Wheat - MV Westwind
05/03/99	20	1,257,756	159,189	-
18/05/99	21	849,022	107,267	1st payment (80%)
28/06/99	21	212,256	26,105	2nd & final payment (20%)
25/08/99	-	973,361	119,916	Proceeds from sales of 10,000MT
Total		5,100,847	652,526	

The above table shows that FHI/Ethiopia received a total of US\$652,526 in eight installments. The highest amount of cash was collected in March, 1999 amounting to US\$159,190. Cash released in August, 1999 was from the sales of Ex-Latini wheat and FHI/Ethiopia had to make use of all the money before the end of the fiscal year. Towards the end of FY 99, the cash flow seemed to have been stabilized with the sale of wheat and oil.

The ex-Latini wheat was sold in Djibouti and the money was deposited in an international bank. This sale was effected through floating tender to potential buyers in Djibouti and other East and Southern African Countries. International Amalgamated was the winner of this tender. All sales of vegetable oil were made in country through tenders. The prices for the wheat and oil were well over the benchmark. The average price of oil was especially higher than the benchmark by at least 20%.

D. 202(e) Grant

FHI/Ethiopia uses 202(e) Grant budget mainly to finance the purchase of vehicles for project use and cover travel costs related with the implementation of Title II USAID program. In FY 1999, FHI/Ethiopia purchased four vehicles (three Toyota Pick-Ups and a Station Wagon) to facilitate travels to new satellite camps and start new activities in these areas. Including payments to the local dealer, the cost of vehicles accounted for 47% of the total 202(e) Grant expended in FY 1999. International travel by the outgoing Country Director and his spouse took another 1.3%, while air tickets, meals, lodging and related expenses for the workshop attendants in Mutare, Harare required an additional US\$3,249. Addis Ababa Office allocation amounted US\$ 32,390 which accounted for 14% of the total expenditure. (Please refer to Appendix D for detailed expenditures).

FHI/Ethiopia contracted the service of Mr. Jean Gillard, a rural engineer who specialized in designing and supervising of small-scale irrigation schemes, to supervise the work of upgrading traditional irrigation schemes in South Gondar. Until his contract terminated in January, 1999 (because of forced evacuation from Ethiopia) FHI/Ethiopia paid out a total amount of US\$1,875 for his consultancy services. During the reporting period, FHI/Ethiopia purchased several development and accounting books as well as subscribed to different magazines that help to upgrade the knowledge of staff personnel.

As a direct result of buying the vehicles, it was made possible to make frequent travels to the far corners of the target population thereby addressing the needs of many of the households. The trips to these parts of the project areas have enabled to conduct baseline surveys, wealth-ranking exercise and assess the impact of development interventions. The exercise of wealth ranking has particularly made targeting of households for different interventions easier.

The books and magazines were being circulated among key management and project staff to widen the scope of understanding and keep abreast with changing

situations in the development circle. Books distributed to individuals were collected with a summary of the main findings, comments and suggestions. Once in every month key management staff were required to make a presentation on the content of the books and lessons learned or new approaches that could be applied in the project area or in everyday life. This way greater interaction among staff was facilitated together with staff reflection and internalization of the experiences of others.

II. Resource Analysis and Requests

A. FY 1999 Expenditure Report and Narrative

FHI/Ethiopia's financial performance in FY 99 reflects and consistent with the level of cash flow made available to the organization through the Monetization Project. For the reasons indicated above, the level of cash during the first six months of FY 1999 was inadequate to implement most of the activities planned for the time. FHI/Ethiopia had to catch up with the implementation of its program activities after the cash flow stabilized in March, 1999. However, the financial performance was at its highest level towards the end of the fiscal year.

A summary financial report by Title II activity (attached as Appendix E) shows that expenditures to cover costs related with crop productivity and diversification accounted for nearly 39 % of the total expenses in FY 1999. Of the total expenditures made in this component the highest percentage (i.e., 42%) went to the purchase and delivery of basic farm inputs to targeted households. Travel expenses (e.g. fuel, meals, per diems, etc.) to activity sites and outside the project area for coordination and purchase accounted for the second highest percentage (i.e. 12%). Expenses for personnel and for training of farmers comes third and fourth with 11% and 6% respectively.

The second area of focus (in terms of financial performance) during FY 1999 has been on fodder production and natural resource management. Under this component the construction of soil conservation structures, reforestation and irrigation schemes using food-for-work were the main activities of focus. Transportation of food-for-work commodity accounted for the lion's share with 57% expenditure out of FY 1999 total expenses. The purchase of basic nursery tools, polythen plastics, hand tools for building conservation structures and others amounted to US\$60,387 or 13% of the total expenses in the component.

Expenses made for water supply and sanitation as well as for primary health care account for the third of the total expenditures. With a total expenditure amounting to US\$363,226 various activities including the construction of three health posts, 15 hand-dug wells, 19 springs, and immunization of 6200 children and women have been accomplished. The highest share of the expenditure went for the purchase of essential construction materials, labour, medicines and others.

B. FY 1999 Monetization Pipeline Analysis

Appendix D shows that the beginning balance for FY 1999 was US\$566,935. During the year a total of US\$652,526 was collected from the sale of vegetable oil and wheat. (Please refer to section A above for details). This makes the total available fund from monetization to US\$1,219,461. In comparison to the total expenditures made during the year that amounted to US\$1,347,099, the available cash was less by US\$127,638. This money was temporarily transferred from the International Office and replacement was not made until the end of December, 1999.

C. FY 1999 Commodity Pipeline Analysis

At the beginning of FY 1999 FHI/Ethiopia had 1,860 MT of wheat and 230 MT of vegetable oil carried over from the previous year. During the year, FHI/Ethiopia made a call forward for 3,080 MT of wheat and 81 MT of vegetable oil. Since the wheat was expected to arrive in July, 1999 FHI/Ethiopia borrowed 3,000 MT of wheat from the Emergency Food Security Reserve Unit to implement its food-for-work activities without difficulty. Until the end of FY 1999, a total of 2,151.43 MT of wheat and 102.42 MT of oil was distributed to 60,220 people who engaged in food-for-work activities.

Appendix E shows the commodity status and recipient status reports for FY 1999 and for the fourth quarter of FY 1999. According to these reports, there was a reported loss of 41.59 MT of wheat and 1.79 MT of vegetable oil due to transit, moisture and weevils. For transit losses FHI/Ethiopia put claims to concerned freighters and collected the money. FHI/Ethiopia has also provided to the South Gondar DPPC Branch a loan of 1.6 MT of wheat. The Catholic Relief Service (CRS) has returned 41.59 MT of wheat it borrowed from FHI/Ethiopia.

D. FY 2000, 2001 & 2002 Budget Revisions and Resource Requirements

The original budget for FY 2000 has been revised in light of the emergency need in Ethiopia as well as to accommodate USAID interest to have a reserve for the first quarter of FY 2001. Because of the enormous need for relief assistance a portion (i.e.18% including gains from higher prices from the sale of oil) has been diverted from approved FY 2000 budget to the relief program. In addition, 391 MT of wheat and 69 MT of oil will be diverted to the emergency program. As seen in Appendix F the budget revision was only for monetization. The 202(e) budget and anticipated recipient contributions were not altered.

The budget for FY2001 includes a reserve for the first quarter of FY 2002. FHI/Ethiopia is expected to submit a DAP amendment at the end of FY 2001 to extend its operation in FY 2002 and FY 2003. The budgets to be allocated for the latter two years will mainly be used to implement the phase out/in strategies designed for South Gondar. FHI/Ethiopia will estimate the size of its budget for the two years next year.

E. Future New Submissions

As indicated above FHI/Ethiopia plans to submit a DAP Amendment in FY 2001. The basic focus of the amendment would be to build and strengthen the capacity of grass root community based organizations and the local government in South Gondar to play leading roles in the continuation of FHI/Ethiopia's program activities. Special attention for capacity building will be given to community based voluntary organizations that will be effective in implementing development programs in the areas. In addition to providing the required skill, information and resources, FHI/Ethiopia will focus on facilitating and supervising community organizations in doing development activities. At the end of FY 2003 FHI/Ethiopia will phase out its programs from current operation areas in South Gondar.

Appendix A - Indicator Performance Tracking Table

LAY GAYINT IFSP

IR1		Indicator	FY99	End of	% of
Improved Agriculture Production Indicators	Unit	Baseline	Target	FY99	Target Achieved
<u>Impact Indicators:</u>					
Yield of the major crops					
Barley	Kg/ha	466	475	585	123
Teff	Kg/ha	202	210	132	63
Wheat	Kg/ha	527	555	489	88
Potato	Kg/ha	770	800	999	125
<u>Monitoring Indicators:</u>					
Households using chemical fertilizer	%	24*	4	24	600
Households using improved grain variety	%	8*	3	6	200
Households using improved agricultural practises	%	11	19	15	79
IR 2					
Improved Income Indicators					
<u>Impact Indicators:</u>					
Average number of livestock units	No.	2.3	2.64	2	76
Households with tin roofs	%	12.2	13	10	77
Birr per month spent on kerosene	Birr	3	3.5	2	57
Number of times coffee drunk per month	No.	15.6	18	17	94
Number of chairs and beds per household	No.	0.62	0.8	0.63	79

<i>Monitoring Indicators:</i>					
Mature eucalyptus per household	No.	27*	13	56	431
Households producing fodder at homestead	No.	0	4	0.09	2
Households practising irrigation	%	7.9*	2	6	300
Households growing vegetables (incl. potato)	%	13	86	11	13

IR 3					
Improved Health Indicators					
<i>Impact Indicators:</i>					
Children <5 yrs with diarrhoea in past 2 weeks	%	32*	25	31	124
Children underweight	%	55.1	53	NA	NA
<i>Monitoring Indicators:</i>					
Households using modern family planning	%	7.6*	4	19	475
Attended births	%	8.6*	4	14	350
Children 12-23 months fully immunized	%	10.8	12	33	275
Households using protected well/spring	%	13*	10	50	500
Amount of water used per day	# of pots	2.73	2.9	2.4	83
ORT usage rate	%	4.3	15	29	193
Children who received proper dietary management of diarrhoea	%	1	5	1.5	30
Children exclusively breastfed for 1st 6 months	%	90**	91	90	99
Children weaned between 6-12 months	%	52**	55	63	115
Children dewormed at least once in a year	%	0	20	0	0
Children receiving at least one dose of Vit. A	%	0	50	0	0
Mothers receiving at least one dose of Vit. A	%				
one month after delivery	%	0	50	0	0
IR 4					
Natural Resource Maintained Indicators					

<i>Impact Indicators:</i>					
Area of communal land protected	Ha.	238**	268	739	276
Estimate of soil erosion using the USLE	MT/Ha./Yr	285**	95	NA	NA
<i>Monitoring Indicators:</i>					
Farmers practising soil conservation	No.	TBD	35	50	143
No. of CFP's operating***	No.	0	5	4	80

*Higher than the target for the year because the data were most recently collected in August 1999 whereas the targets were set in 1998.

**Data collected in June 1996 and January 1997.

***CFP's are new Communal Fodder Plantation sites which have not yet started operating

NA= Not Available

TBD= To Be Determined

INDICATOR PERFORMANCE TRACKING TABLE
TACH GAYINT IFSP

IR1		Indicator	FY99	End of	% of
Improved Agriculture Production Indicators	Unit	Baseline	Target	FY99	Target Achieved
<i>Impact Indicators:</i>					
Yield of the major crops					
Barley	Kg/ha	334	350	489	140
Teff	Kg/ha	164	173	140	81
Wheat	Kg/ha	407	430	557	130
Potato	Kg/ha	500	520	505	97
Sorghum	Kg/ha	284	295	286	97
<i>Monitoring Indicators:</i>					
Households using chemical fertilizer	%	22*	3	23	767
Households using improved grain variety	%	19*	4	20	500
Households using improved agricultural practises	%	33	39	36	92
IR 2					
Improved Income Indicators					
<i>Impact Indicators:</i>					
Average number of livestock units	No.	1.5	1.8	1.5	83
Households with tin roofs	%	10.1	12.3	11	89
Birr per month spent on kerosene	Birr	2.54	2.7	1.5	56
Number of times coffee drunk per month	No.	14.2	18	19	106
Number of chairs and beds per	No.	0.33	0.47	0.34	72

household					
<i>Monitoring Indicators:</i>					
Mature eucalyptus per household	No.	10.1	12	27	225
Households producing fodder at homestead	%	0	4	0	0
Households practising irrigation	%	6.9*	2	7	350
Households growing vegetables	%	8	45	24	53

IR 3					
Improved Health Indicators					
<i>Impact Indicators:</i>					
Children <5 yrs with diarrhoea in past 2 weeks	%	20	25	28	112
Children underweight	%	69	65.5	NA	NA
<i>Monitoring Indicators:</i>					
Households using modern family planning	%	17.5*	4	16	400
Attended births	%	10.9*	5	10.4	208
Children 12-23 months fully immunized	%	33	42	35	83
Households using protected well/spring	%	24.8*	22	51	232
Amount of water used per day	# of pots	2.4	2.6	2.1	81
ORT usage rate	%	7.9	30	23	77
Children who received proper dietary management of diarrhoea	%	1	5	1.2	24
Children exclusively breastfed for 1st 6 months	%	91**	92	80	87
Children weaned between 6-12 months	%	57**	60	66	110
Children dewormed at least once in a year	%	0	50	39	78
Children receiving at least one dose of Vit. A	%	0	50	32	64
Mothers receiving at least one dose of Vit. A one month after delivery	%	0	5	2.6	52
IR 4					
Natural Resource Maintained Indicators					
<i>Impact Indicators:</i>					
Area of communal land protected	Ha.	48**	78	135	173
Estimate of soil erosion using the USLE	MT/Ha./Yr	310**	100	NA	NA
<i>Monitoring Indicators:</i>					
Farmers practising soil conservation	No.	TBD	35	57	163
No. of CFP's operating**	No.	0	5	7	140

*Higher than the target for the year because the data were most recently collected in August 1999 whereas the targets were set in 1998.

**Data collected in June 1996

***CFP's are new Communal Fodder Plantation sites which have not yet started operating

NA= Not Available

TBD= To Be Determined

INDICATOR PERFORMANCE TRACKING TABLE
SIMADA IFSP

IR1		Indicator	FY99	End of	% of
Improved Agriculture Production Indicators	Unit	Baseline	Target	FY99	Target Achieved
<i>Impact Indicators:</i>					
Yield of the major crops					
Barley	Kg/ha	288	300	516	172
Teff	Kg/ha	196	200	497	249
Wheat	Kg/ha	224	235	652	277
Potato	Kg/ha	676	703	360	51
Sorghum	Kg/ha	290	300	312	104
<i>Monitoring Indicators:</i>					
Households using chemical fertilizer	%	9**	11	19	173
Households using improved grain variety	%	11*	7	7	100
Households using improved agricultural practises	%	11	20	17	85
IR 2					
Improved Income Indicators					
<i>Impact Indicators:</i>					
Average number of livestock units	No.	2.33	2.7	1.9	70
Households with tin roofs	%	5.3	7.8	6	77
Mature eucalyptus per household	No.	7.6	10.7	35	327
Birr per month spent on kerosene	Birr	1.33	1.54	1.43	93
Number of times coffee drunk per month	No.	10.5	11.8	14	119
<i>Monitoring Indicators:</i>					
Households producing fodder at homestead	%	0	4	0.0075	0.2
Households practising irrigation	%	2*	2	4	200
Number of chairs and beds per household	No.	0.37	0.46	0.2	43
Households growing vegetables	%	4.6	31	21	68

IR 3					
Improved Health Indicators					
<i>Impact Indicators:</i>					
Children <5 yrs with diarrhoea in past 2 weeks	%	22*	26	19	73
Children underweight	%	68.7	66	NA	NA
<i>Monitoring Indicators:</i>					
Households using modern family planning	%	11*	4	14	350
Attended births	%	2.5	7	5	71
Children 12-23 months fully immunized	%	41	45	31	69
Households using protected well/spring	%	18	34	43	126
Amount of water used per day	# of pots	2	2.5	2.2	88
ORT usage rate	%	2.7	24	17	71
Children who received proper dietary management of diarrhoea	%	1	5	2.3	46
Children exclusively breastfed for 1st 6 months	%	91**	92	95	103
Children weaned between 6-12 months	%	40**	44	75	170
Children dewormed at least once in a year	%	0	50	0	0
Children receiving at least one dose of Vit. A	%	0	50	27	54
Mothers receiving at least one dose of Vit. A	%				
one month after delivery	%	0	5	1.6	32
IR 4					
Natural Resource Maintained Indicators					
<i>Impact Indicators:</i>					
Area of communal land protected	Ha.	68**	98	53	54
Estimate of soil erosion using the USLE	MT/Ha./Yr	269**	90	NA	NA
<i>Monitoring Indicators:</i>					
Farmers practising soil conservation	No.	TBD	35	62	177
No. of CFP's operating**	No.	0	5	16	320

*Higher than the target for the year because the data were most recently collected in August 1999 whereas the targets were set in 1998.

**Data collected in June 1996.

***CFP's are new plantation sites which have not yet started operating

NA= Not Available

TBD= To Be Determined

Appendix A.1 - Activity Report

FODDER PRODUCTION AND NATURAL RESOURCE MANAGEMENT COMPONENT

Activities	Unit	Lay Gayint		Tach Gayint		Simada	
		Plan	Accomplishment	Plan	Accomplishment	Plan	Accomplishment
SOIL CONSERVATION							
<i>Construction of structures</i>							
Checkdams	Km.	10	19	22	6	29	48
Hillside terraces	Km.	300	358	200	170	130	372
Cut-off drains	Km.	6	6	6	4	8	13
Micro-basins	Km.	150,000	149,970	20,000	-	195,000	34000
Feeder roads	Km.	20	25	22	5	20	8
Artificial water ways	Km.	1	1				
<i>Maintenance of structures</i>							
Checkdams	Km.	10	10	15	-	13	25
Hillside terraces	Km.	52	52	5	24	7	17
Feeder roads	Km.	20	28	25	34	39	38
SEEDLING PRODUCTION AND PLANTATION							
Seed collection	Kg.	33	73	50	85	65	65
Seedling production	No.	1,000,000	1,018,045	2,000,000	1,150,000	2,600,000	2,147,273
Hillside planting	No.	350,000	407,405	1,000,000	183,586	1,300,000	852,286
Homestead planting	No.	580,000	242,451	1,000,000	743,771	1,300,000	1,224,987
Pitting & re-pitting	No.	350,000	462,905	1,000,000	309,529	1,300,000	922,286
Re-planting	No.	35,000	55,500	10,000	205,643	13,000	70,000
Bio-gas construction	No.	1	1	1	-		1
Weeding & cultivation	Ha.	50	50	100	16		
Individual nursery establishment	No.	5	7				
School education	# school	2	2			10	10
Fodder development	Ha.	1	13				
Area closure	Ha.	10	45				
Training of farmers in reforestation	No.	20	20	20	37	50	40

CROP PRODUCTIVITY AND DIVERSIFICATION COMPONENT

Activities	Unit	Lay Gayint		Tach Gayint		Simada	
		Plan	Actual	Plan	Actual	Plan	Actual
AGRICULTURAL EXTENSION							
<i>Distribution of vegetable seeds</i>							
(Cabbage, beetroot, carrot, swisschard)	Kg.	28	20	40	32	84	20
<i>Distribution of chemical fertilizer</i>							
DAP	Qt..	160	194	250	394	75	257
UREA	Qt..	80	103	125	199	38	129
Distribution of improved wheat (K-6295-4A)	Qt..	80	80	180	80		80
Distribution of agricultural tools	No.	1,250	1,250	3,195	3,928	165	2,027
<i>Distribution of root crops</i>							
Sweet potato	Cuts			30,000	3,000	60,000	0
Potato	Qt..	200	244	20	13	22	41
Onion	Qt..	150	80	20	0.5	22	40
Establishing demonstration plots	No.	10	39	0.1	0.1	9	10
Establishing improved beehives for farmers	No.	10	7	25	25	9	8
<i>Farmers training</i>							
Apiculture	No.	30	40			33	51
Agricultural Extension	No.	80	98	60	93	33	30
Training of Development Agents	No.	10	16	8	12		
Provision of veterinary equipment	Birr					5000	14660
Provision of veterinary medicine	Birr					13000	12095
SMALL SCALE IRRIGATION							
<i>Preliminary Studies</i>							
Reconnaissance Study	No.	2	2	2	2		
Feasibility Study	No.	2	1.5				
<i>Water Shed Managment</i>							
Cut-off drain construction	Km.	2	2.2				
Checkdam construction	Km.	1	1.1				
Road dressing	M2						
		650	550				
<i>Construction of structures</i>							
Hydraulic structures	No.					9	9
Drain Outfalls (Rip Rap)	M ³					11	11
Sluice gate pipe maintenance	No.					2	2
Embankment protection work	M ³			360	360		
Weir construction	M ³			132.8	133		
Main canal construction	Km			1	1		
Trap structure construction	M ³			25	25		

Appendix B - FY99 Comprehensive Financial Report

Line Item	MONITIZATION		202(e) in US\$		Overall Budget	Overall Actual
	Budget	Actual	Budget	Actual		
Personnel	325,632	142,302	88,000	64,809	413,632	207,111
Training	169,191	50,398	12,000	1,875	181,191	52,273
Travel	257,040	125,372	16,000	5,910	273,040	131,282
Occupancy	7,925	5,290	0	0	7,925	5,290
Office Operations	27,478	7,751	0	0	27,478	7,751
Equipment/Materials	763,816	441,001	122,000	104,066	885,816	545,067
Sub-total Direct Cost	1,551,082	772,114	238,000	176,660	1,789,082	948,774
Indirect Project Costs	325,339	235,068	28,890	32,390	354,229	267,458
Capacity Building for Local	19,452	5,930	0	0	19,452	5,930
Sub-total	344,791	240,998	28,890	32,390	373,681	273,388
Trucking, Handling & Warehousing	191,352	261,094	0	0	191,352	261,094
NICRA	210,347	72,893	26,681	20,299	237,028	93,192
TOTAL	2,297,572	1,347,099	293,571	229,349	2,591,143	1,576,448

Appendix B1 - Financial Expenditures by Title II Activities

Monetization Expenditure From October 1, 1998 to September 30, 1999

Account Code	Description	Crop Productivity & Diversification	Fodder Production & National Resource Maintenance	Community Health & Water	Capacity Building	Total
501-503	Personnel	57,874.26	44,905.21	39,522.82	-	142,302.29
510-515	Training	31,947.52	6,479.10	11,971.06	-	50,397.68
521-524	Travel	59,214.77	25,963.51	40,193.59	-	125,371.87
530-531	Occupancy	2,049.84	1,437.48	1,802.20	-	5,289.52
540-549	Supplies /Printing	3,306.44	2,520.99	1,923.98	-	7,751.41
551-572	Equipment/Materials	217,503.07	60,387.10	163,111.24	-	441,001.41
601	Allocated project office	47,333.54	17,832.47	33,885.60	-	99,051.61
602	Addis Ababa Allocated costs	66,264.77	23,719.34	46,032.36	-	136,016.47
613	Capacity Building	-	-	-	5,929.68	5,929.68
627-633	ITSH	346.50	260,747.63	-	-	261,094.13
	NICRA	34,988.61	13,120.73	24,783.60	-	72,892.94
	Total	520,829.32	457,113.56	363,226.45	5,929.68	1,347,099.01

Appendix C - Variance Explanation

General

Monetization commodity for 1999 was sold and partly made available for use towards the middle of the year. Out of the total approved monetization budget of Birr 15,945,150 for FY 1999, only Birr 5,100,847.42 was collected from the proceeds of Monetization commodity up to September 1999.

FHI/E's management understood the cash flow problem early during the year and make the following decisions:-

- It decided to totally cancel financing of a sub-grantee program involving cash budget of Birr 2,559,335 in FY 1999. The management also tried to find ways to secure cash from other sources to bridge the cash flow gap and temporarily finance Title II program expenses. This resulted in budget utilisation of Birr 10,844,303 which we believe is good performance relative to the money made available for use.
- In summary, the cash flow problem we encountered had significant impact on our operation as well as our finance during the year resulting in under utilisation of budget.

Personnel

The staff benefit such as medical and insurance budget for the current year was under utilised. This is because we did not have many medical cases during 1999. In addition, the staff turnover at the project areas was very high and the filling (recruitment) of the casual vacancies took longer time in many cases. Therefore, salaries were unpaid for the period the positions were vacant.

Training

Alike the previous years, we sent trainers to villages where beneficiaries can attend training without being paid for meals and accommodation. In addition, we cancelled some experience sharing tour programs for our project staff due to the anticipated cash flow problems. This resulted in under utilisation of both staff and beneficiary training budget.

Local NGO Capacity Building

This was mainly budgeted for the benefit of the sub-grantee program. However, due to the cancellation of the program for reasons mentioned above, we postponed the necessary training we intended to give in 1999.

Equipment/Supplies/Materials

There was a need to scale down some of our activities due to the anticipated cash flow problem. We, therefore, suspended purchase of some materials like communication radios, nursery and conservation tools. We also purchased reduced quantities of construction materials for irrigation program, satellite camp construction and DA house constructions etc. These led to under utilisation of this line item budget.

Commodity Handling and Transport

The actual commodity transport rate from Kombolcha to Nefas Mewcha warehouse was almost twice the budget rate. This was because of the truck shortage caused by the then existing situation in the country. The actual rate Vs the budget rate were Birr

1.182/MT/Km and Birr 0.56/MT/Km respectively. This resulted in over utilisation of the commodity transport budget.

Appendix D - Monetization Pipeline Analysis

FY '99 PIPELINE ANALYSIS	Amount in US\$
1. Opening Balance as of October 1st 1998	566,935
1.1 Borrowed from Exchange Gain Fund	0
1.2 Net deficit balance for FY'98	0
2. Monetization receipt in FY'99	
2.1 Actual cash received from October'98 to September '99	652,526
3. Balance carry over of FY'99 (1 + 2)	1,219,461
4. FY'99 PAA/DAP Budget	2,297,572
4.1 Exchange Gain Loan Repayment	0
4.2 Total Expenditure for FY'99	1,347,099
5. Closing Balance at end of FY'99 (3 - 4)	-127,638

Appendix E - Revised Comprehensive Budget for FY 2000 and 2001 (US\$)

US \$1 = 8.12 Ethiopian Birr using exchange rate of 30/9/99

Funding Sources

Consolidated Line Items

Monetization Proceeds	Section 202(e) Grant	Recipient Contributions	Sale of Empty Containers	PVO Private Funds	Other USAID (Specify)	Title III	Other Donor	Local Gov't	Total
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FY 00 Opening Balance	231,843	-	-						231,843
FY 00 Income - new funds	2,595,948			-					2,595,948
FY 00 income - interest	-	-							
Total FY 00 Income	2,595,948	228,606	-	-	-	-	-	-	2,827,791
Funds Available in FY 00	2,827,791	228,606	-	-	-	-	-	-	2,827,791
Expenses									
Personnel	402,227	47,100							449,327
Training/Services	160,648	25,800							186,448
Travel	244,895	17,444							262,339
Occupancy	10,000	-							10,000
Office Operations	24,695	-							24,695
Equip/Supplies/Materials	834,273	96,600	-						930,873
Allocated Project Level Admin.	142,229	-	-						142,229
Allocated Addis Ababa Admin.	218,803	24,395	-						243,198
Monetization Project	27,457		19,169						46,626
Commodity Transport	280,050		-						280,050
sub-total	2,345,277	211,339	19,169	-	-	-	-	-	2,575,785
NICRA	170,295	17,266	-						187,561
FY 00 Total Expenses	2,515,572	228,605	19,169	-	-	-	-	-	2,763,346
FY 00 Closing Balance	312,219			-	-	-	-	-	64,445

FY 01 Opening Balance	312,219	-	-							312,219
FY 01 Income - new funds	3,082,230			-						3,082,230
FY 01 income - interest	-	-								
Total FY 01 Income	3,082,230	219,195	-	-	-	-	-	-	-	3,394,449
Funds Available in FY 01	3,394,449	219,195	-	-	-	-	-	-	-	3,394,449
Expenses										
Personnel	400,652	42,998								443,650
Training/Services	214,050	27,563								241,613
Travel	352,209	11,025								363,234
Occupancy	9,938	-								9,938
Office Operations	37,085	-								37,085
Equip/Supplies/Materials	890,723	97,205	60,831	-						1,048,759
Allocated Project Level Admin.	202,973	-	-							202,973
Allocated Addis Ababa Admin. Monetization Project	268,075	22,924	-							290,999
Commodity Transport	46,626									46,626
	715,738		-							715,738
sub-total	3,138,069	201,715	60,831	-	-	-	-	-	-	3,400,615
NICRA	256,380	16,480	-							272,860
FY 01 Total Expenses	3,394,449	218,195	60,831	-	-	-	-	-	-	3,673,475
FY 01 Closing Balance				-	-	-	-	-	-	(279,026)

Note: FY2001 Budgets are estimates

Appendix F - Commodity Status Report

FROM OCTOBER 1, 1998 TO SEPTEMBER 30, 1999

Country	Ethiopia
Agency	Food for The Hungry International/Ethiopia
Date	15-Feb-00
Name and Title	Dereje Asmare, Director of Finance

	COMMODITIES-QUANTITIES IN MTS-NET WEIGHT			
	1. Wheat	2. Oil	3. CSB	Total
A. Physical Inventory Beginning of FY'99	1,859.80	230.08	0.40	2,090.28
B. Receipts				
1. Arrivals according to B/L (i.e. totals from item G. Page 2)	-	-		-
2. Commodities delivered by shipping companies and applied to cover previous shortage				-
3. Others	-	1.11		1.11
Adjustments (rounding difference)				-
4. Loans returned from other agencies (CRS)	41.00			41.00
5. Commodities borrowed (CFGB)				-
6. Commodities borrowed (FOOD SECURITY)	3,000.00			3,000.00
7. Truck in Transit	11.00			
Total Receipts During FY'99	3,052.00	1.11	-	3,042.11
C. Distributions During FY'99 by Program				
Food For Development				
Maternal and Child Health (101)				-
School Feeding (102)				-
Other Child Feeding (103)				-
Food For Work (104)	2,151.43	102.42		2,253.85
Emergency				
Refugee (201)				-
Disaster (202)				-
Welfare				
General Relief (301)				-
Reallocated to CRS				-
Total Distributions & Donation During FY'99	2,151.43	102.42	-	2,253.85
D. Balance According to Documentation	2,760.37	128.77	0.40	2,889.54
E. Physical Inventory at end of FY'99	2,069.30	126.98	0.40	2,196.68
F. Difference Between D and E	691.07	1.79	(0.00)	692.86
a. Ocean Freight Losses				-
b. Internal Losses. Lost or Damaged in Agency Warehouse, Customer Warehouse, or Internal Transport	41.59	1.79		43.38
c. Repayment of Commodities Borrowed from other agencies	595.88			595.88
d. Loan to CRS	41.00			41.00
Loan to DPPC	1.60			1.60
Truck in Transit	11.00	0.01		11.01
f. Total Differences Accounted for (a-d)	691.07	1.80	-	692.87
g. Total Differences Unaccounted for	0.00	(0.01)	(0.00)	(0.01)

Appendix F1 - Annual Recipients Status Report

From October 1, 1998 to September 30,1999

Country	Ethiopia
Agency	Food for The Hungry International/Ethiopia
Date	15-Feb-00
Signature	_____
Name and Title	Dereje Asmare, Director of Finance

Program by Category of Recipients	No. of Recipients Reached During the Year				
		Wheat	Oil	CSB	Total
Food For Development					
Maternal and Child Health (101)					
School Feeding (102)					
Other Child Feeding (103)					
Food for Work (104)	60,220	2,151.43	102.42		2,253.85
Emergency					
Refugee (201)					
Disaster (202)					
Welfare					
General Relief (301)					0.00

APPENDIX G - FY98 Audit Report

Appendix H - Baseline Survey Questionnaire